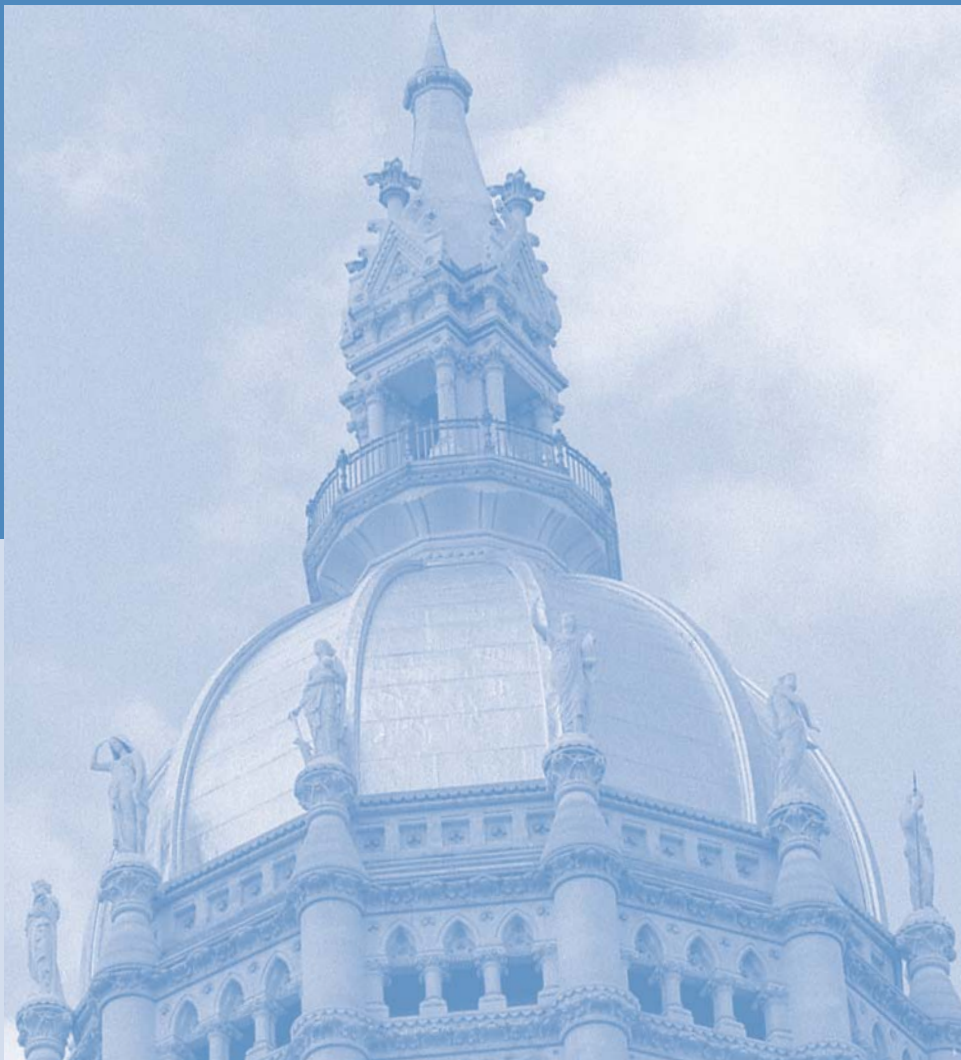


2006 Legislative Report to the 28th District

State Senator John McKinney



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Energy

Unfortunately, the Majority party chose to take no action this session to address Connecticut's serious energy challenges. The price of gasoline and natural gas continue to rise, and in the southwest part of our state, electric supplies are inadequate to meet growing demand.

Governor Rell proposed, and I supported, the establishment of an Energy Department to pull together the state's fragmented bits and pieces dealing with this issue so that the state can develop a comprehensive energy plan, particularly as to electricity – something we now do not have. We all know from our monthly bill that

the electric deregulation law, adopted in 1998, has not worked. The bill stifled competition in Fairfield County while our region's demands grew and our antiquated supply chain did not. The Federal Energy Regulatory Commission has not helped either, imposing further “penalty” rate increases. The legislature must face the reality that a stable, affordable and reliable source of electricity is essential for our economy and our personal lives.

Gasoline Prices

In an effort to reduce the high costs of gasoline in our region, I supported a measure that would have banned the practice of “zone pricing” of gasoline in Connecticut. Zone pricing is where oil companies charge dealers in different geographic areas different prices for the same grade of gasoline. In fact, gasoline in one location may very well get an entirely different price than that of another location, even though the gas came out of the same truck. This legislation, which overwhelmingly passed the Senate but was not taken up in the House, would have replaced zone pricing with a fair wholesale price system making gasoline prices throughout the state more uniform.

Transportation

The most significant accomplishment of this legislative session was the enactment of a major transportation investment plan. Building on Governor Rell's initiative last year to replace all 342 Metro North rail cars, together with a new year-round rail car repair facility, this year the General Assembly took the next step and authorized a \$2.3 billion plan to provide better mobility for Connecticut's future. The plan authorizes a wide variety of transportation projects to be built over the next ten years, most of them in the public transportation area. These include establishing rail commuter service between New Haven, Hartford, Bradley Airport and Springfield. Of particular value to our part of the state, the plan calls for improving the New Canaan, Danbury and Waterbury branch rail lines and improving parking and railroad station facilities throughout the system.



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State Senator John McKinney

Dear Neighbor,

The 2006 session of the Connecticut General Assembly has come to an end. Under the leadership of Governor M. Jodi Rell, the legislature finished business on time for the second consecutive year and without the partisan bickering of years past.

Connecticut operates under a biennial (two-year) budget system. The two-year state budget is always ratified in the first year of the biennium. This being the second year, the main responsibility of the legislature in 2006 was to make adjustments to the state budget that was adopted previously. I am pleased to report that in a bipartisan manner, the legislature passed a budget that holds taxes and spending increases in check while providing additional state aid to our local communities.

There were many other issues that came before the legislature this year. While many important initiatives passed both chambers of the legislature and became law, other measures were not as fortunate and fell victim to the confines of the “short session.”

Please take a moment to read about some of the important measures that were addressed in 2006. You can also visit my senate website at www.senaterepublicans.ct.gov for updates on events taking place at the Capitol.

If you have any specific questions regarding these issues or any issue concerning state government, please feel free to call my office at 1-800-842-1421, e-mail me at John.McKinney@cga.ct.gov or write to me at: Senator John McKinney, Legislative Office Building, Room 3400, Hartford, CT 06106.

Sincerely,


John McKinney



Budget & Taxes

The budget adopted this year was a considerable improvement over last year’s effort. The spending increase was down to 5.8%, still too high as measured against the rate of inflation, but far better than last year’s increase. Expenditures came in under the constitutionally mandated spending cap. The budget placed \$189 million in the budget reserve fund, known as the “Rainy Day” fund, bringing the total in the fund to \$795 million.

On the tax side there were some important improvements. The property tax credit on the personal income tax was increased to \$500, the 15% corporate tax surcharge was eliminated, and the local property tax on manufacturing machinery and equipment will be phased out over five years.

However, a major failing of this session was that no action was taken on Governor Rell’s proposals regarding the estate tax. She proposed to increase the exemption from \$2 million to \$4 million and to phase out the estate tax entirely over five years. She also proposed to fix the so-called “cliff” which occurs when an estate has \$1 of assets over the \$2 million exemption. This triggers a tax imposed on the entire estate, not just on the extra \$1.

Protecting Your Cell Phone Records

It came to my attention this session that a variety of web-based businesses were illegally selling personal cell phone records of Connecticut citizens. People’s cell phone records are as private as their financial and medical records and most certainly should not be for sale. With the help of several of my Senate Republican colleagues and the Attorney General, we alerted citizens of this illegal practice and drafted legislation that prohibits the sale or solicitation of an individual’s cell phone records.

Soon after we publicized this matter, several of the websites that had been selling the cell phone records ceased operations. Plus, our legislation received unanimous support in both the state Senate and state House of Representatives and was signed into law by Governor Rell.

Making College More Affordable

The legislature passed a law that allows income tax deductions for contributions to the Connecticut Higher Education Trust (CHET), Connecticut’s state sponsored college savings plan. The new law allows deductions up to \$5,000 for single filers and \$10,000 for joint filers. In addition, it lets taxpayers carry forward any unused deductions for the next five years, as long as each deduction does not exceed the annual maximums.

Underage Drinking

I was proud to support legislation aimed at preventing underage drinking. This measure makes it illegal for a minor under 21 to possess alcohol anywhere, rather than only in public places. It also makes it illegal for an adult to knowingly allow minors to possess alcohol in the adult’s home. This measure alone will not solve the growing problem of teenage alcohol abuse, but I believe it is one area where the state has a responsibility to step in and play a role.

Funding Teachers’ Retirement

The funding of Connecticut public school teachers’ pensions received a great deal of attention this legislative session, and rightfully so. Since our state’s teachers do not participate in the federal government’s Social Security program, they rely on the state’s Teachers’ Retirement Fund (TRF) for their pensions. Unfortunately, in the 30 year history of the TRF, it has only been funded at 100% by the legislature once, and now it faces approximately a \$5.3 billion shortfall.

That’s why I have continued to advocate on behalf of legislation that would amend the Connecticut State Constitution to require the state to fully fund the TRF each and every year. Teachers are one of Connecticut’s most valuable resources as they help groom our state’s future leaders. They deserve to know that their pensions will be there for them when they retire.

Although we were not able to pass the new Constitutional Amendment, we were able to fully fund the Teachers’ Retirement Fund in both Fiscal Year 2006 and Fiscal Year 2007 by depositing \$246 million of the budget surplus into the Fund. I will continue to advocate on behalf of teachers in order to ensure that they receive their full, promised benefits when they retire.

Eminent Domain

One of the most disappointing aspects of this year’s session was the failure of the General Assembly to act on the issue of eminent domain. Expanding our eminent domain laws so that private developers can make more money is a very disturbing and dangerous proposition and walks all over the basic right of every American to own property. What’s even more troubling is that last year the Supreme Court decision to allow the use of eminent domain for economic development purposes was based on a case right here in Connecticut. The *Kelo vs. New London* decision poses a monumental threat to homeowners everywhere in that it allows any city or town to take individual homes away from people and turn them over to private developers as long as the government does it in the name of the “public good.” This is wrong, and is why I supported legislation that would have prohibited the seizure of homes for economic development. Unfortunately, the measure failed mainly along party lines.

Sex Offender Legislation

I was proud to spearhead an effort to impose tougher penalties on sexual predators. Despite initial opposition from the Majority party, my efforts led to the unanimous passage in the Senate of a measure that imposed stronger penalties for pedophiles who sexually assault children. The bill created mandatory sentences of 25 years in prison for a first time offense and life imprisonment for a second for persons convicted of first degree, second degree and aggravated sexual assault of a child under age 13, as well as for promoting prostitution of a minor. The bill was patterned after Florida’s “Jessica’s Law,” which was passed in response to the kidnapping and killing of 9 year old Jessica Lunsford by a released pedophile. Sadly, the measure was never taken up in the House of Representatives.

